



HRO^{TODAY}

HRO Today
Research Report
HR Compensation
Mostly Lags
(Except at the Top)

introduction

As the function of Human Resources expands, its impact on company performance and metrics is undeniable. In the United States, the Bureau of Labor Statistic (BLS) projects that job opportunities for HR managers will grow by 5% through 2032, which is faster than the national average for all occupations.¹ In EMEA, HR roles in France, Germany, and the UK are among the top 10 jobs.²

The top HR executive position, often the Chief Human Resources Officer (CHRO), is now considered as integral as any other member of the C-suite. Additionally, HR executive compensation should be accurately reflected given their increasing responsibilities and impact on company performance.

HRO Today has published its fourth CHRO compensation study to garner these insights. For the analysis, we pulled publicly available data on the Fortune 1000 and gathered CHRO compensation data on 177 senior HR executives from those companies, a valid sample of 17.7%. The data was further segmented into Fortune 50, Fortune 100, Fortune 200, and Fortune 500 subcategories for analysis. Within each segmentation, we studied correlations to salary, total cash compensation, and non-cash compensation such as stock options and grants.

We looked for correlations between senior HR executive compensation, company performance, and company size. This included market capitalization, earnings per share (EPS), earnings before income tax, depreciation, amortization (EBITDA), and employee headcount.

To further explore how HR practitioners feel about their organization's compensation, we surveyed 190 executives from the *HRO Today* network and compared the survey results to prior waves of the study. Note there are no separate findings for 2021, since the 2020 study was conducted late in the year.

Results of the 2024 study were combined with the Fortune 50 correlation analysis described above to provide a complete and overarching view of the CHRO compensation structure, practices, and perceptions. In 2024, study findings were segmented by the respondent's location of North America or EMEA.

Note that while the CHRO title is the most common in our analysis, other titles include Chief People Office and Chief Talent Officer, depending upon the location and internal structure of the organization being examined.

key findings

Our research shows a variety of HR compensation packages across fortune 1000 companies. Again, there is no significant consistent correlation between company performance or size in CHRO compensation. Compensation seems to be based on other factors, such as industry, location, or the executive’s additional responsibilities.

However, we found statistically significant correlations between compensation levels and company performance among organizations within the Fortune 50. A coefficient correlation of “1.00” is perfect because the two examined factors move with each other. Anything over 0.70 is considered highly correlated.

The accompanying table shows the five company performance measures among the Fortune 50 that typically correlate closely with compensation. Two of the five, Total Compensation vs. EBITDA and Total Compensation vs. Market Capitalization, are nearly perfectly correlated (0.95 and 0.94, respectively). Restricted Stock vs. EBITDA and Restricted Stock vs. Market Capitalization are highly correlated at 0.78 and 0.75, respectively. Non-Equity Compensation vs. Market Capitalization maintains a moderate correlation in 2024. Other indicators, including company size, were not correlated with compensation.

The US stock market has enjoyed a good year so far in 2024, with the DJIA up a robust 7.0% year to date.³ Further, Wall Street forecasts call for steady earnings growth through at least 2026. But how these returns impact CHRO compensation for next year remains to be seen.⁴

Correlation Between CHRO Compensation and Fortune 50 Company Performance Metrics

	2024	2023	2022	2020
Total Compensation vs. EBITDA	0.95	1.00	0.98	0.85
Total Compensation vs. Market Capitalization	0.94	1.00	0.98	0.88
Restricted Stock vs. EBITDA	0.78	0.98	0.90	0.95
Restricted Stock vs. Market Capitalization	0.75	0.99	0.91	0.98
Non-Equity Compensation vs. Market Capitalization	0.63	0.98	0.81	0.87



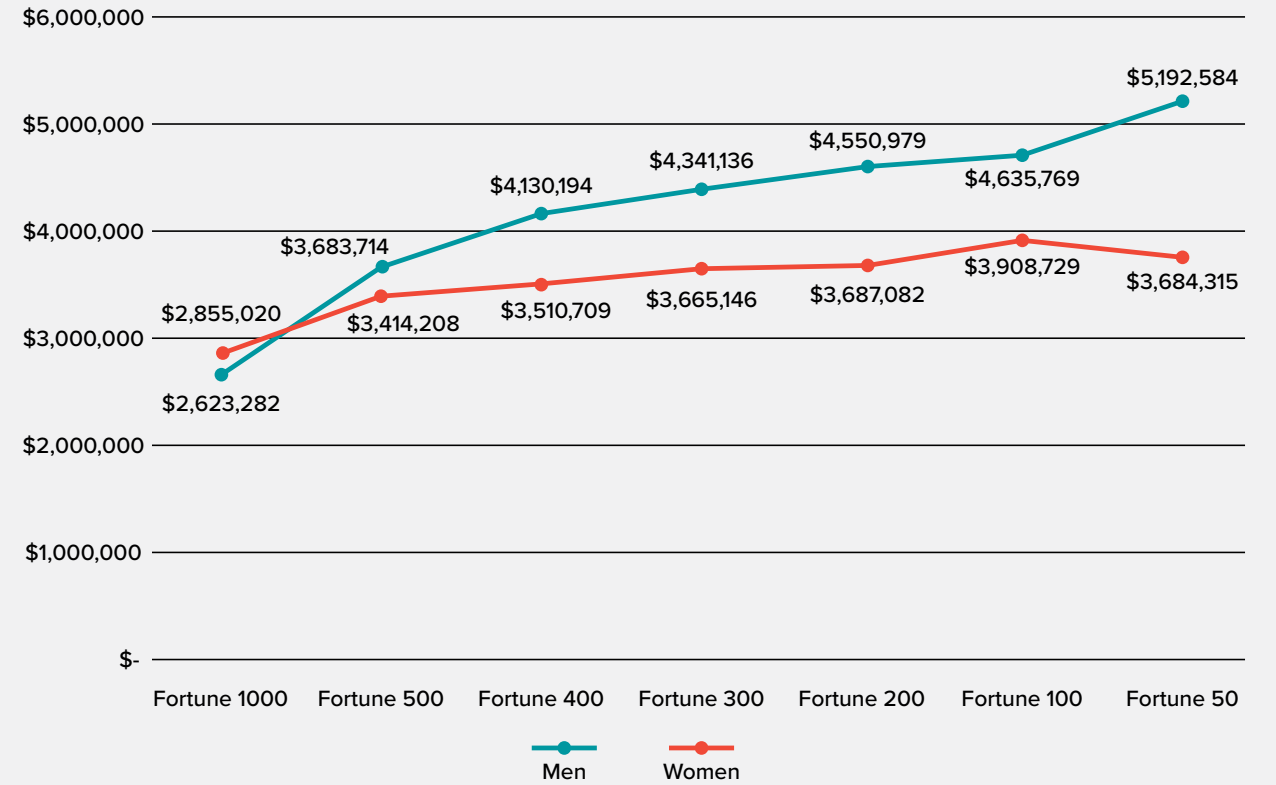
Gender Differences in CHRO Compensation

On average, in the Fortune 1000, CHROs earn an average of \$2,761,253 in total annual compensation. That average increases to \$4,438,450 in the Fortune 50.

In the Fortune 1000, women earn more on average than men, \$2,855,020 vs. \$2,623,282, respectively. But as companies rise in the Fortune list, starting with the Fortune 500, men earn more than women, on average. This difference is most pronounced in the Fortune 50, where men earn \$5,192,584 on average, while women's total compensation is \$3,684,315, a difference of 34%.

However, three of the four highest paid CHROs were female. Their compensation was removed from the calculations shown above because they were considered outliers. While inclusion of these salaries narrows the gender gap somewhat, on average male CHROs still make more than female CHROs inside the Fortune 500.

Gender Compensation Gap Among CHROs*



*Outliers removed



EMEA HR Compensation

A separate analysis of compensation for HR professionals in EMEA was not part of this study design. However, salary.com provides interesting insight into this region, and their findings are summarized in the accompanying table.

Salaries for HR professionals across Europe vary significantly. They reflect differences in the cost of living, economic conditions, and demand for HR expertise. The average salary in the UK (USD \$248,790) is the highest of the five countries shown at right. HR professionals in the technology sector often enjoy higher salaries.

CHRO Salaries: EMEA*

	Average Salary (USD)	Salary Range (USD)
United Kingdom	\$248,790	\$116,813 - \$367,678
Germany	\$207,257	\$142,966 - \$280,066
France	\$212,512	\$157,238 - \$312,244
Spain	\$171,932	\$83,541 - \$248,287
India	\$146,538	\$69,385 - \$236,806

*Source: salary.com

Average total compensation in EMEA, including salaries and bonuses, as well as equity and non-equity compensation, varies substantially by region. So, when comparing compensation across regions, the most straightforward metric to compare compensation is average salary. The average CHRO salary for the major economies in EMEA is estimated at \$200,000, while the average for the U.S. is approximately \$350,000,⁵ a difference of 55%.



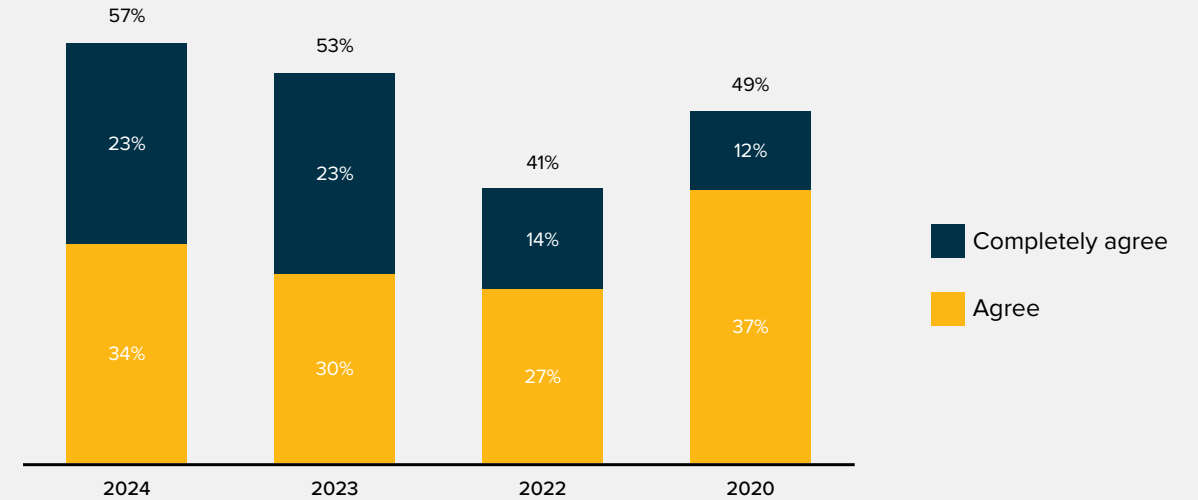
study findings

As the workforce continues to evolve, the views of HR practitioners on the intricacies of their profession continues to change. The findings of this study show the change over four years.

HR Practitioners' Views on Industry Compensation

Senior HR executives were asked if they felt the CHRO compensation in their organization was comparable with other C-Suite executives. Just over half (57%) agreed that compensation was aligned with other C-Suite executives. This is the highest level of agreement and marks the second straight year of increase. Note that in some cases, the CHRO was the survey respondent.

**CHRO Compensation Is Comparable with Rest of C-Suite
Extent of Agreement**



There are significant differences in agreement between small and large organizations about senior HR leader compensation. Just over one-third (38%) of those from organizations with fewer than 500 employees agreed that compensation for senior HR executives in their organization is comparable with other C-Suite executives. In larger organizations (500 or more employees) nearly three-quarters (71%) agreed, which is significantly higher.

Regionally, those in EMEA were more inclined to agree than those from North America, 61% vs. 53%, respectively.

**CHRO Compensation Is Comparable with Rest of C-Suite
Agree/Agree Completely: By Segments**

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	38	71	61	53

Ways to Determine CHRO Compensation

In addition to finding respondents' views on CHRO compensation versus the rest of the C-Suite, we asked two questions addressing how the respondent's company should determine CHRO compensation: "CHRO/Senior HR compensation should correlate with company size as defined by the number of employees," and "CHRO/Senior HR compensation should correlate closely with company profits."

CHRO/Senior HR Compensation Correlation with Company Employee Count

Compared to 2023, tying compensation to employee count had a lower level of agreement. The majority (67%) believe compensation should directly reflect an organization's employee count. There is only a weak positive correlation of 0.21 between compensation and company size in the Fortune 1000. Additionally, there is no correlation within any of the other Fortune segments examined.

Using Company Profits to Determine CHRO Compensation

Two-thirds (66%) of HR practitioners believe company profits should decide compensation, the highest it has been in the four years of the study.

CHRO compensation and company performance, defined as Total Compensation versus EBITDA, have the strongest connection with a near perfect correlation. However, there is still no universal deciding factor or methodology for determining CHRO compensation.

Ways to Determine CHRO Compensation Extent of Agreement

	2024	2023	2022	2020
	%	%	%	%
Employee Count				
Agree (net)	67	70	82	64
Agree	49	51	68	48
Completely Agree	18	19	14	16
Profits				
Agree (net)	66	52	52	56
Agree	44	40	40	38
Completely Agree	22	12	12	18

Nearly three-quarters (72%) of those in North America agreed that compensation should directly reflect an organization's employee count, well above EMEA respondents (59%). Those from larger organizations are much more likely than those from smaller organizations to agree that profits should be tied to CHRO compensation, 72% vs. 61%, respectively.

Ways to Determine CHRO Compensation Agree/Agree Completely: By Segments

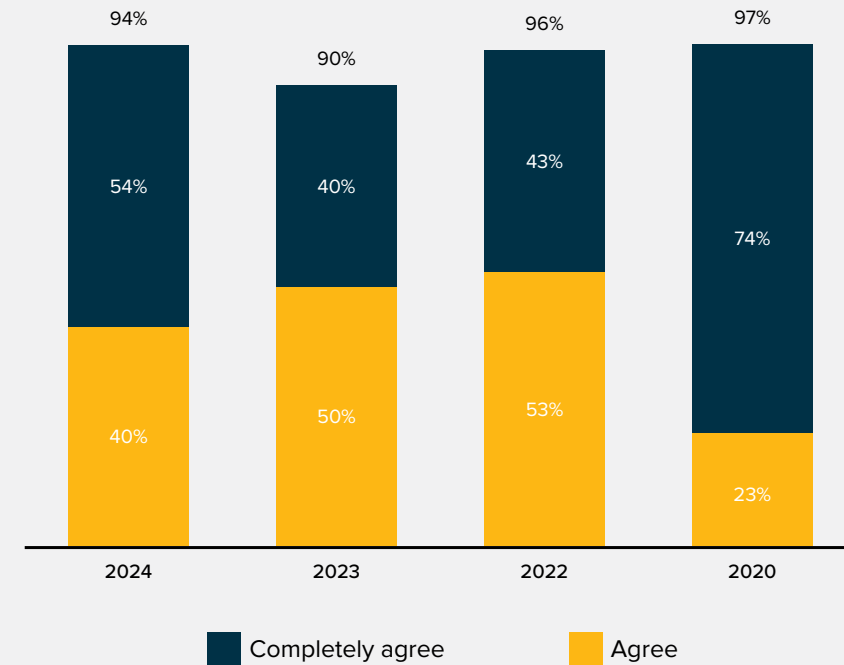
	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Employee Count	67	69	59	72
Profits	61	72	78	62



CHRO Compensation Vs. Other C-Suite Executives

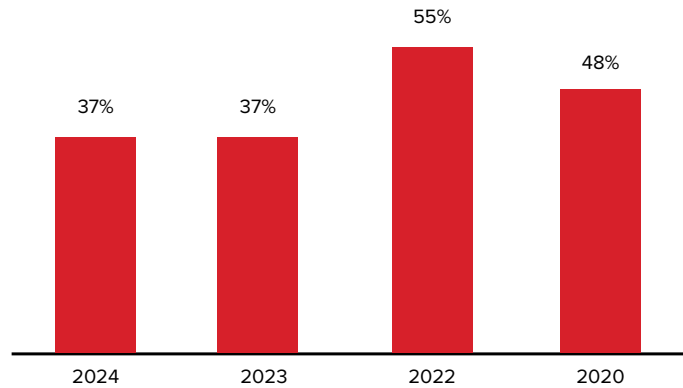
We asked respondents if they felt their CHRO should be compensated on par with other C-level executives within their company. Almost universally (94%) agreed that compensation among all C-level executives should be comparable. This percentage has been at least 90% in each of the four years of the study.

CHRO Compensation Should Be Comparable With Rest of C-Suite Extent of Agreement



As previously mentioned, one-half (57%) believe CHROs in their organizations are compensated comparably to other C-level executives within their company. This means there is a 37 percentage point difference between what respondents think should occur within CHRO compensation and what they believe is occurring, no change from 2023.

Difference in Agreement Between What CHRO Compensation Should be Comparable With Rest of C-Suite and Belief That CHRO Compensation Already is Comparable to C-Suite



Respondents in EMEA are more likely than in North America to agree CHRO compensations should be comparable with the rest of the C-Suite, 98% vs 91%, though the vast majority of both are in agreement.

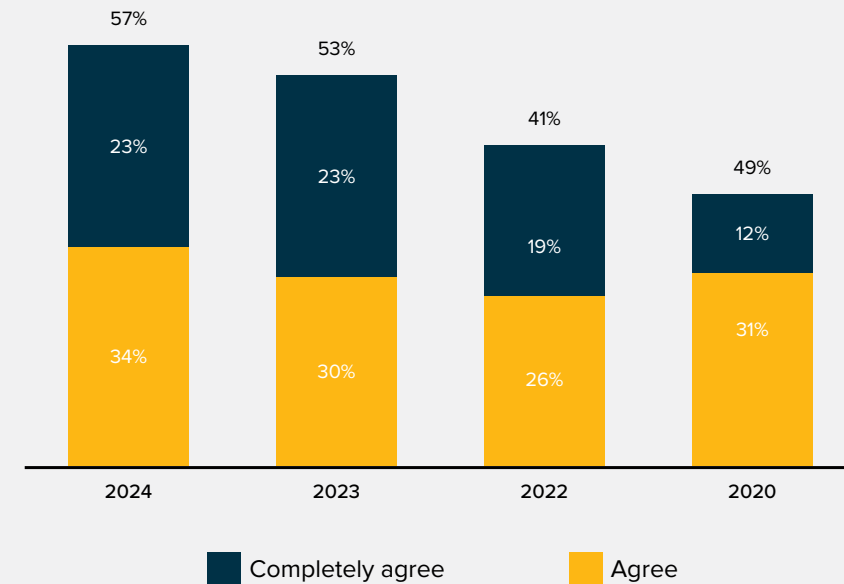
CHRO Compensation Should Be Comparable With Rest of C-Suite Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	96	92	98	91

Most Senior HR Executives are Compensated Similarly to Other Senior Executives

Study respondents were asked if they believed their CHRO/senior HR leader is compensated on par with other senior executives. Just over one-half (57%) believe they are, an increase of four percentage points from 2023 and the third consecutive increase since 2020. Overall, agreement in this area is up 14 percentage points since 2020.

Most Senior HR Executive Compensated Similarly to Other Senior Executives Extent of Agreement



There is a disparity between those from smaller organizations and larger ones. Only 38% of those from smaller organizations feel their most senior HR executive is compensated on par with other senior leaders, compared to nearly three-quarters (71%) of those from larger organizations.

HR leaders from the EMEA region are more likely than those from North America to agree that their most senior HR leader is compensated similarly to other senior leaders, 61% vs. 53%, respectively.

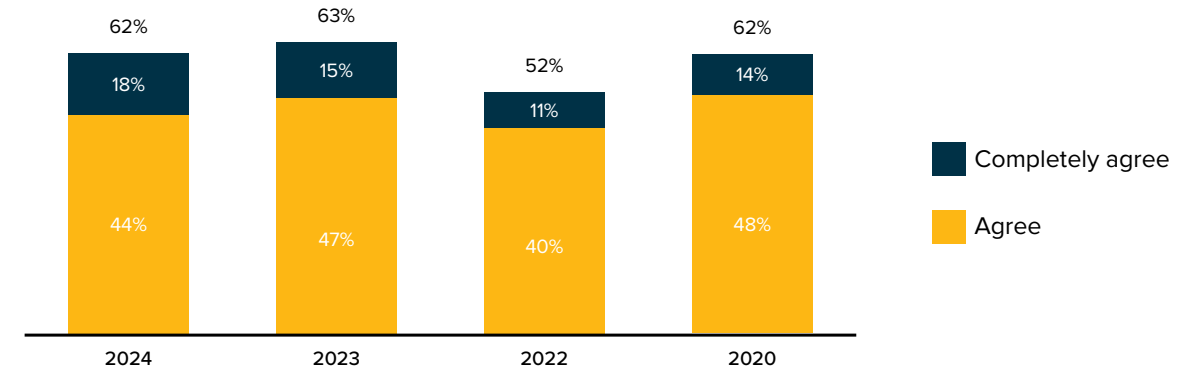
Most Senior HR Executive Compensated Similarly to Other Senior Executives Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	38	71	61	53

Compensation of Senior HR Leaders is Fair

Respondents were asked to what extent they agree senior HR executives are compensated fairly in their organization. Just under two-thirds (62%) felt they were, similar to findings from 2023. There has been little change in the perception of fair compensation since 2020.

Compensation of Senior HR Leaders is Fair: Extent of Agreement



Those respondents from larger organizations were significantly more likely than from smaller organizations to believe HR executives are compensated fairly in their organization, 69% vs. 51%, respectively.

HR respondents from EMEA are more likely than those from North America to believe HR executives are compensated fairly in their organization, 67% vs. 59%.

Compensation of Senior HR Leaders is Fair Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	51	69	67	59



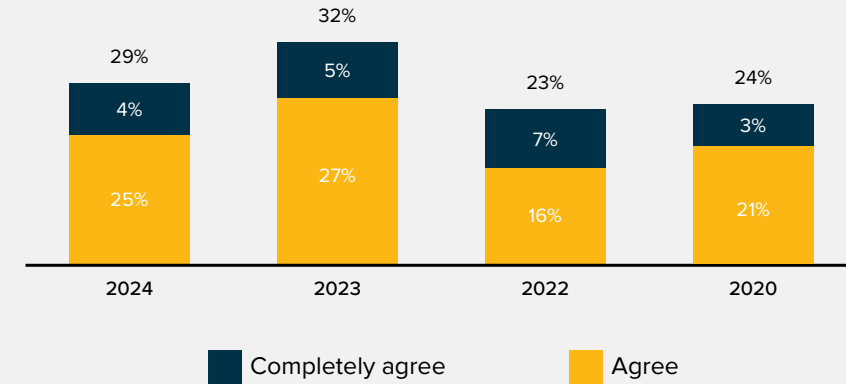


Agreement That Senior HR Executives Are Compensated Fairly Across Organizations

Respondents were asked if they believe senior HR executives are compensated fairly across organizations. Less than one-third (29%) agree, a decline from 32% in 2023.

The perception of compensation fairness for senior HR leaders across organizations remains low, with only marginal change over a four-year period. Nearly three-quarters (71%) still do not feel it is equitable.

Senior HR Executives Are Compensated Fairly Across Organizations Extent of Agreement



While the perception of a lack of fairness in compensation is shared by both those from larger and smaller organizations, those from smaller ones are even more likely to feel there is an inequity, with only 21% of those from organizations of less than 500 agreeing HR compensation is fair vs. 35% of those from organizations with 500 or more employees.

Overall agreement that there is fair compensation for HR executives in EMEA is somewhat higher than in North America, 41% vs. 24%, respectively.

Senior HR Executives Are Compensated Fairly Across Organizations Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	21	35	41	24

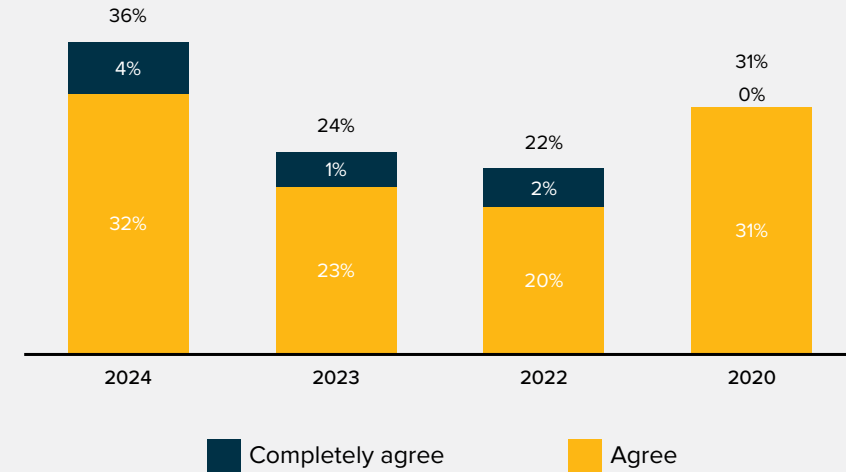


HR Practitioners Not Compensated Equitably Compared to Other Departments

Respondents were asked to give the extent of their agreement with the statement: “HR departments as a whole are compensated fairly compared to other departments in organizations.” This sentiment can apply to all organizations, regardless of the respondent’s employment history.

In 2024, over one-third (36%) agree that HR departments are compensated fairly, up significantly from 24% in 2023. This is the second consecutive increase in agreement. However, HR practitioners still do not believe their departments are compensated fairly compared to other departments within organizations.

HR Departments Compensated Fairly Compared to Other Departments Extent of Agreement



While a minority of respondents believe HR practitioners are not compensated equitably compared to other areas within their organizations, those from smaller organizations are significantly less likely than those from larger ones to agree pay is equitable, 31% vs. 44%.

Those in EMEA are marginally more inclined to agree that HR practitioners are fairly compensated than in North America, 42% vs 34%, respectively.

HR Departments Compensated Fairly Compared to Other Departments Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	31	44	42	34

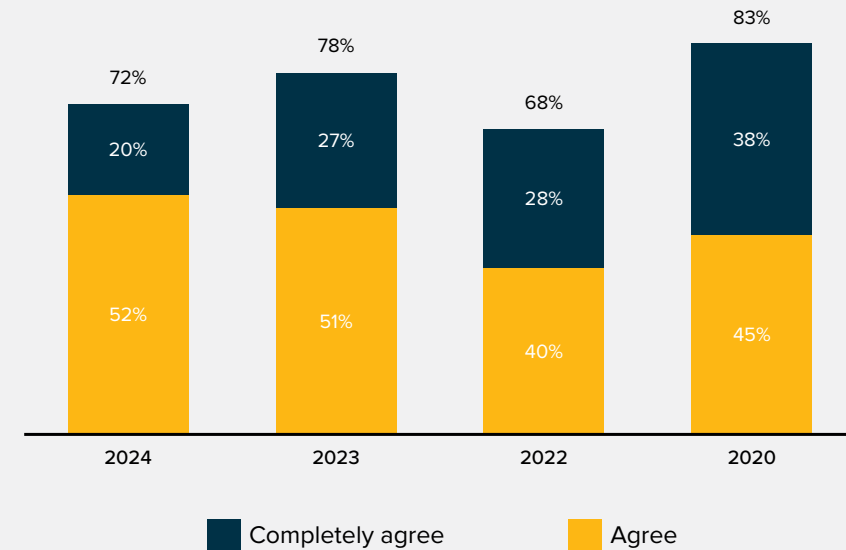


Agreement That Larger Organizations Compensate HR More Highly Than Other Smaller Organizations

We asked study respondents if they agree that larger organizations compensate HR practitioners more highly than their smaller counterparts.

Just under three-quarters (72%) of study respondents agree that larger organizations compensate HR practitioners more highly than smaller ones, down from 78% in 2023 and lower than 83% in 2020. This belief is common for a myriad of reasons, including perceptions of additional responsibilities or larger workload due to the size of the company. As HR executives shift their focus to retention and recruitment, this belief may change.

Larger Organizations Seemingly Compensate HR More Highly Than Smaller Organizations: Extent of Agreement



There is little difference in the perceptions of HR executives from larger or smaller organizations about larger organizations compensating HR more highly than smaller organizations. Regional analysis shows similar findings.

Larger Organizations Compensate HR More Highly Than Smaller Organizations Agree/Agree Completely: By Segments

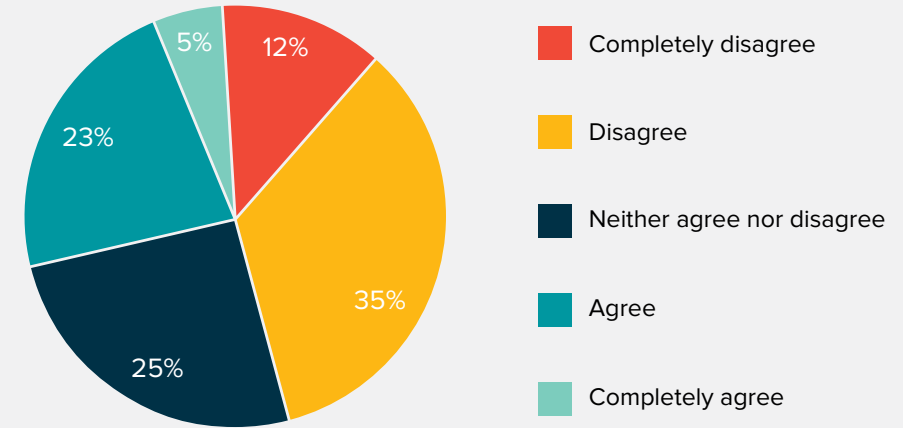
	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	75	70	70	73



Compensation Reflects Demands Made on HR During Pandemic: 2024

As the pandemic recedes into the distance, study participants were asked in 2024 if they feel increases in compensation for their HR department fairly reflect the additional demands placed upon them during the pandemic. Nearly one-half (47%) disagree that the increases fairly reflected the additional demands placed upon them during the pandemic, with only about one-quarter (28%) indicating the increases were in accordance with the demands.

Compensation Reflects Demands Made on HR During Pandemic Extent of Agreement



The extent of agreement about views of compensation for HR departments vary by company size. Respondents from larger organizations are more likely than those in smaller ones to agree that compensation reflects the demands made on HR during the pandemic. However, agreement is still low at 32% for larger organizations vs. 23% for smaller organizations.

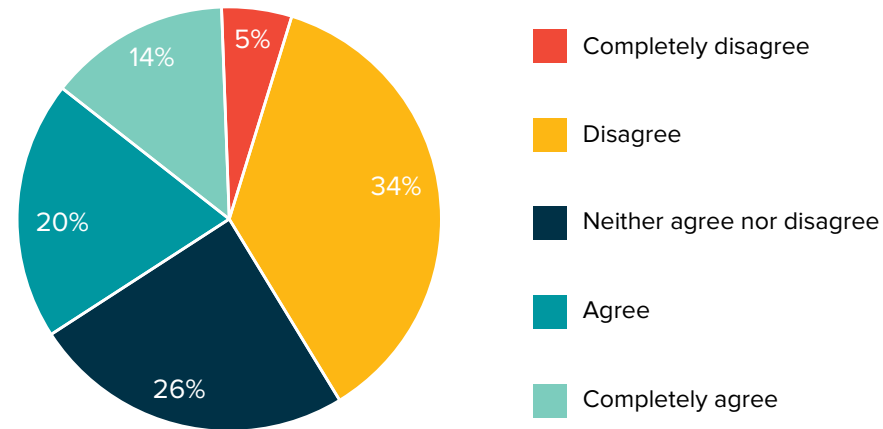
Compensation Reflects Demands Made on HR During Pandemic: 2024 Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	23	32	29	28

Senior HR Leaders Have Skills to Become CEO

Do HR practitioners believe their senior HR leaders have the right skills to one day become CEO? While opinions are divided, only just over one-third (34%) agreed. The views of those between larger and smaller organizations, as well as between region, did not differ in a meaningful way.

Our Most Senior HR Leader Has the Right Skills to Become CEO



There is consistency among segments in the agreement about senior HR leaders having the skills to become CEO. Only about one-third of any segment agrees that their senior leaders have the right skills.

Our Most Senior HR Leader Has the Right Skills to Become CEO Agree/Agree Completely: By Segments

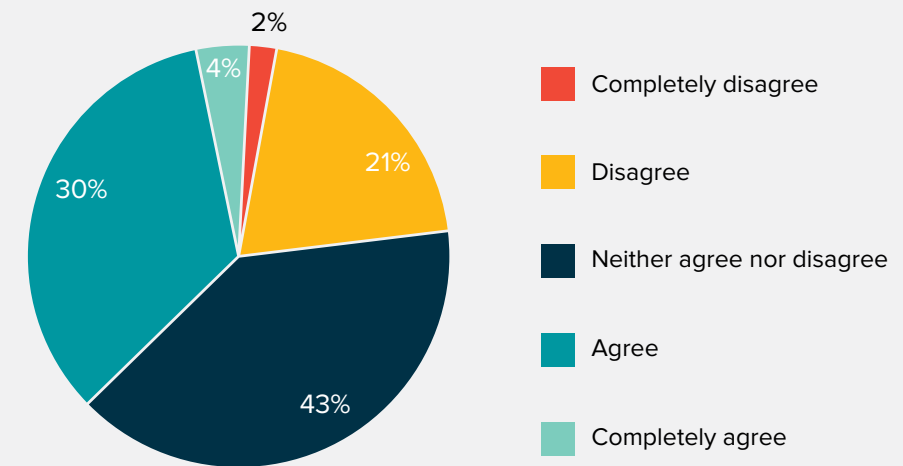
	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	34	32	34	34

Perception of HR as a Field of Choice

Respondents were asked if they felt recent events have propelled HR to be a field of choice among students considering business careers. Responses were mixed, with just over one-third (34%) agreeing with the statement: “HR practitioners feel there has been no clear shift in perceptions of students considering business careers that HR is a field of choice.”

There were no meaningful differences between the perceptions of respondents from larger organizations vs. small, or between regions.

Perception of HR as a Field of Choice Extent of Agreement



Perception of HR as a Field of Choice Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	36	34	36	34



Views about Company’s Compensation and Minority Diversification

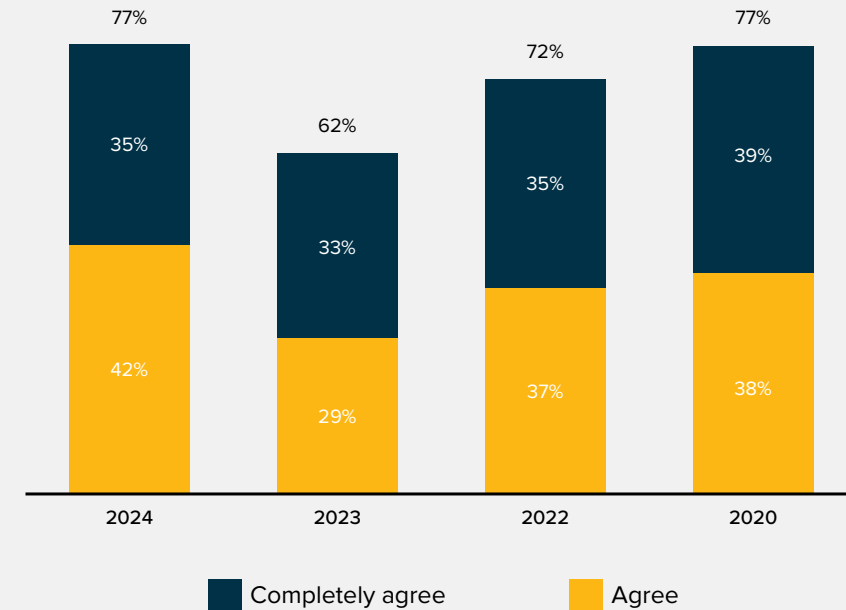
Diversity, Equity, and Inclusion (DEI) continues to be pertinent to HR departments as systemic racism, pay inequality, and unconscious bias plague the workforce. Some companies have taken additional steps dedicated to DEI, and positions in the DEI space within HR departments have quadrupled in the last five years. Interestingly, over one-half (53%) of companies in the Fortune 500 have a Chief Diversity Officer or equivalent.⁶

To gather an understanding of an HR practitioner’s sentiments in an evolving workforce, we asked respondents about their extent of agreement with five statements regarding compensation and diversity in their company. These questions began in the 2020 wave of the study.

Minority and Non-Minority Compensation Comparability Within HR Department

In 2024, over three-quarters (77%) of respondents agreed that the level of compensation among minorities is comparable to their non-minority counterparts, up from 62% in 2023. This is the same level as in 2020, reversing a two-year decline.

Minority And Non-Minority Compensation Comparability Within HR Department Extent of Agreement



There are no meaningful differences among segments regarding minority and non-minority compensation in HR.

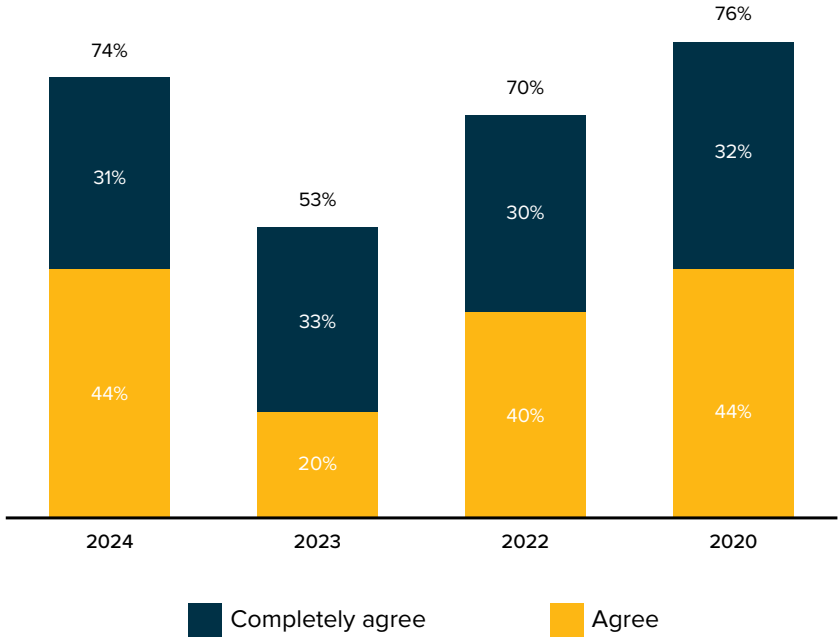
Minority And Non-Minority Compensation Comparability Within HR Department Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	75	79	80	75

Minority and Non-Minority Compensation Comparability Within Company as a Whole

Respondents were asked if they feel minorities in executive roles are compensated on par with other executives in their company. Just under three-quarters (74%) agreed, up significantly from 53% in 2023 but more in line with 2022 (70%) and 2020 (76%).

**Minority And Non-Minority Compensation Comparability
Extent of Agreement**



Among those from larger corporations, 78% agreed that minorities in executive roles are compensated on par with other executives in their company, higher than the 70% who agreed from smaller organizations. This indicates that previous diversity goals in large companies may be increasing minority presence, especially as racial and ethnic workforce data is now published more regularly among Russell 1000 companies.

Minority And Non-Minority Compensation Comparability Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	70	78	77	73

Conclusions

Although there are recurring themes and sentiments across each wave of the CHRO Compensation Study, HR initiatives and views are ever-evolving, especially when addressing diversity and compensation gaps.

- **There are five statistical correlations** within CHRO compensation and company performance among the Fortune 50: Total Compensation vs. EBITDA, Total Compensation vs. Market Capitalization, Restricted Stock vs. Market Capitalization, Restricted Stock vs. EBITDA, and Non-Equity Compensation vs. Market Capitalization. These metrics were also the most statistically correlated in 2023.
- **Women CHROs in the Fortune 1000 are more highly compensated than their male counterparts.** For the third consecutive year, women CHROs in the Fortune 1000 are more highly compensated than their male counterparts. In 2023, women had higher salaries and total compensation than men. However, men earned more among the Fortune 500.
- **Most in HR believe their senior leader is comparably compensated with other senior leaders.** More than one-half (57%) of HR leaders in 2024 believe compensation for the highest-level executive in their department is in line with the rest of the C-Suite, up for the second year.
- **However, HR feels underpaid as a department.** About two-thirds (64%) of HR practitioners feel undercompensated compared to other organizational departments, though that improved from 2023, when 76% did not agree that HR departments were fairly compensated.
- **The pandemic did not lead to equity pay for most in HR.** Less than one-half (47%) feel that increases fairly reflected the additional demands placed upon them during the pandemic, with only about one-quarter (28%) indicating the increases were commiserate with the demands.
- **Human Resources is not seen as path to becoming CEO.** Only one-third feel that their senior most HR leader has the right skills to one day become CEO.
- **Compensation among minorities is comparable to their non-minority counterparts.** Three-quarters (77%) of respondents agree that the level of compensation among minorities is comparable to their non-minority counterparts, up from 62% in 2023. This is the same level as in 2020, reversing a two-year decline.
- **Most in HR believe that minorities in executive roles are compensated on par with other executives in their company.** Just under three-quarters (74%) agree, up significantly from 53% in 2023, but more in line with 2022 (70%) and 2020 (76%).

Notes

1. "Occupational Outlook Handbook – Human Resources Managers," *U.S. Bureau of Labor Statistics*, August 29, 2024. <https://www.bls.gov/ooh/management/human-resources-managers.htm#tab-6>
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